

Message Text

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E.O.11652: GDS
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SUBJECT: CONTROVERSY IN EAST AFRICAN COMMUNITY

REF: NAIROBI 14231 AND PREVIOUS

1. ON 30 DEC TANGOV-OWNED DAILY NEWS COMPLETED SERIES OF SIX ARTICLES DESIGNED TO DEMONSTRATE KENYA'S DUPLICITY IN ITS DEALINGS WITH EAST AFRICAN COMMUNITY (EAC) PARTNERS, TANZANIA AND UGANDA. COMING IN WAKE OF RECENT HEATED MEDIA EXCHANGES, ARTICLES ATTEMPT DOCUMENT WITH FACTS KENYAN ACTIONS OVER YEARS WHICH LED TO CURRENT EAC TROUBLES AND INJUSTICES. SERIES ANALYZED EAC CORPORATE ASSETS AND LIABILITIES, EMPLOYMENT, AND TRADE FIGURES TO SHOW KENYA'S UNFAIR SHARE AND TO EXPLAIN WHY TANZANIA "JUSTIFIABLY" UNABLE TO CONTINUE COOPERATING WITH KENYA UNDER PRESENT EAC IMBALANCES.

2. BESIDES PRESENTING CASE FOR THE RECORD, SERIES SEEMS AIMED AT:

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A) CONVINCING TANZANIAN CIVIL SERVANTS AND TECHNOCRATS OF KENYA'S BAD FAITH. MANY IN THIS GROUP ADMIRE KENYA'S ECONOMIC PROGRESS AND ARGUE THE ECONOMIC ADVANTAGES TO TANZANIA OF EAC INTEGRATION.

B) PRESERVING NYERERE'S AND TANZANIA'S IMAGE AS COOPERATIVE, REASONABLE MEMBER OF THIRD WORLD WORKING FOR UNITY.

C) PREPARING FOREIGN AID DONORS (GENERALLY ALREADY SYMPATHETIC TO TANZANIA IN ITS EAC DISPUTE WITH KENYA) FOR POSSIBLE NEW REQUESTS TO ESTABLISH SEPARATE FACILITIES TO REPLACE FORMERLY COMMON EAC SERVICES.

3. SERIES DID NOT DISCUSS DIFFERENT DEVELOPMENT APPROACHES OR COMPARE PERFORMANCE OF THE TWO COUNTRIES, BUT A 30 DEC EDITORIAL PROMOSSED TO DO SO AT FUTURE TIME. WHILE QUITE WILLING WITHIN CONTEXT SOCIALISM TO POINT OUT TANZANIAN INTERNAL ECONOMIC DEFICIENCIES, LOCAL MEDIA AND OFFICIALS RELUCTANT ADMIT ANY TANGOV RESPONSIBILITY FOR EAC PROBLEMS OR TO DEBATE SERIOUSLY RELATIVE MERITS OF CONTRASTING TANZANIAN AND KENYAN ECONOMIC STRUCTURES. AS TANZANIA APPROACHES CELEBRATION OF DECADE OF SOCIALISM, IT JUSTIFIABLY DEFENSIVE ABOUT GROWTH AND OTHER ASPECTS ECONOMIC PERFORMANCE.

4. DURING 20 DEC VISIT TO ARUSHA, ECONOFF DISCUSSED CURRENT CONTROVERSY WITH DR. HIGIRO-SEMAJEJE (A UGANDAN WITH US EDUCATION) WHO IS SECRETARY FOR THE EAC TREATY REVIEW COMMISSION. SOME OF HIS "PERSONAL" VIEWS INCLUDED:

- THERE IS BASIC DISTRUST BETWEEN NYERERE AND KENYATTA. UNTIL THIS REMOVED, ONE WAY OR ANOTHER, THERE CAN BE NO SIGNIFICANT IMPROVEMENT IN EAC. DESPITE HIS WRECKING UGANDAN ECONOMY, AMIN HAS BEEN SURPRISINGLY RATIONAL RE EAC.
- TANGOV EMPHASIS ON IDEOLOGICAL AND POLITICAL MATTERS HAS LED TO DECLINING TANZANIAN INTEREST IN BENEFITS OF EAC.
- TRANSFER OF FUNDS PROBLEM IS SYMPTOM OF MORE FUNDAMENTAL DIFFERENCES. DESPITE ECONOMIC DIFFICULTIES, TANZANIA AND UGANDA ALWAYS SEEM HAVE ENOUGH FOREIGN EXCHANGE FOR MILITARY ACQUISITIONS.

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- TANZANIA WANTS TO CORRECT EAC IMBALANCES BUT IS NOT REALISTIC ABOUT NEED FOR MUTUAL BENEFITS. FOR EXAMPLE, TANGOV IS ASKING FOR KENYAN GOVERNMENT CAPITAL INVESTMENT IN TANZANIAN HEAVY INDUSTRY SUCH AS COAL AND IRON COMPLEX. BUT TANZANIA REFUSED ALLOW PRIVATE KENYAN INVESTMENT IN THIS OR OTHER SECTORS.
- INSTEAD OF ADVOCATING ECONOMIC ADVANTAGES OF JOINT RAIL AND OTHER SERVICES, SYMPATHETIC AID DONORS LIKE WORLD BANK, SWEDEN AND CANADA ASSIST TANZANIA IN GOING IT ALONG IN DUPLICATIVE, INEFFICIENT OPERATIONS.
- RECENTLY COMPLETED EAC REVIEW COMMISSION REPORT IS NOT SIGNIFICANT FOR ITS RECOMMENDATIONS. MORE IMPORTANT IS ITS LIST OF QUESTIONS FOR THE THREE PRESIDENTS TO MEASURE THEIR POLITICAL DESIRE TO PRESERVE MEANINGFUL COOPERATION. NO ONE KNOWS THE OUTCOME.

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